S-1912.3

SUBSTITUTE SENATE BILL 5027

State of Washington 58th Legislature 2003 Regular Session

By Senate Committee on Natural Resources, Energy & Water (originally sponsored by Senators Morton, Rasmussen and Hale)

READ FIRST TIME 03/03/03.

- AN ACT Relating to watershed planning; amending RCW 90.82.040 and
- 2 90.82.130; adding a new section to chapter 90.82 RCW; and creating a
- 3 new section.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** The legislature declares and reaffirms that 6 a core principle embodied in chapter 90.82 RCW is that state agencies
- 7 must work cooperatively with local citizens in a process of planning
- 8 for future uses of water by giving local citizens and the governments
- 9 closest to them the ability to determine the management of water in the
- 10 WRIA or WRIAs being planned.
- 11 The legislature further finds that this process of local planning
- 12 must have all the tools necessary to accomplish this task and that it
- 13 is essential for the legislature to provide a clear statutory process
- 14 for implementation so that the locally developed plan will be the
- 15 adopted and implemented plan to the greatest extent possible.
- 16 Sec. 2. RCW 90.82.040 and 2001 c 237 s 2 are each amended to read
- 17 as follows:
- 18 (1) Once a WRIA planning unit has been initiated under RCW

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90.82.060 and a lead agency has been designated, it shall notify the department and may apply to the department for funding assistance for conducting the planning <u>and implementation</u>. Funds shall be provided from and to the extent of appropriations made by the legislature to the department expressly for this purpose.

- (2)(a) Each planning unit that has complied with subsection (1) of this section is eligible to receive watershed planning grants in the following amounts for the first three phases of watershed planning and phase four watershed plan implementation:
- (i) Initiating governments may apply for an initial organizing grant of up to fifty thousand dollars for a single WRIA or up to seventy-five thousand dollars for a multi-WRIA management area in accordance with RCW 90.82.060(4);
- (ii)(A) A planning unit may apply for up to two hundred thousand dollars for each WRIA in the management area for conducting watershed assessments in accordance with RCW 90.82.070, except that a planning unit that chooses to conduct a detailed assessment or studies under (a)(ii)(B) of this subsection or whose initiating governments choose or have chosen to include an instream flow or water quality component in accordance with RCW 90.82.080 or 90.82.090 may apply for up to one hundred thousand additional dollars for each instream flow and up to one hundred thousand additional dollars for each water quality component included for each WRIA to conduct an assessment on that optional component and for each WRIA in which the assessments or studies under (a)(ii)(B) of this subsection are conducted.
- (B) A planning unit may elect to apply for up to one hundred thousand additional dollars to conduct a detailed assessment of multipurpose water storage opportunities or for studies of specific multipurpose storage projects which opportunities or projects are consistent with and support the other elements of the planning unit's watershed plan developed under this chapter; and
- (iii) A planning unit may apply for up to two hundred fifty thousand dollars for each WRIA in the management area for developing a watershed plan and making recommendations for actions by local, state, and federal agencies, tribes, private property owners, private organizations, and individual citizens, including a recommended list of strategies and projects that would further the purpose of the plan in accordance with RCW 90.82.060 through 90.82.100.

(b) A planning unit may request a different amount for phase two or phase three of watershed planning than is specified in (a) of this subsection, provided that the total amount of funds awarded do not exceed the maximum amount the planning unit is eligible for under (a) of this subsection. The department shall approve such an alternative allocation of funds if the planning unit identifies how the proposed alternative will meet the goals of this chapter and provides a proposed timeline for the completion of planning. However, the up to one hundred thousand additional dollars in funding for instream flow and water quality components and for water storage assessments or studies that a planning unit may apply for under (a)(ii)(A) of this subsection may be used only for those instream flow, water quality, and water storage purposes.

- (c) By December 1, 2001, or within one year of initiating phase one of watershed planning, whichever occurs later, the initiating governments for each planning unit must inform the department whether they intend to have the planning unit establish or amend instream flows as part of its planning process. If they elect to have the planning unit establish or amend instream flows, the planning unit is eligible to receive one hundred thousand dollars for that purpose in accordance with (a)(ii) of this subsection. If the initiating governments for a planning unit elect not to establish or amend instream flows as part of the unit's planning process, the department shall retain one hundred thousand dollars to carry out an assessment to support establishment of instream flows and to establish such flows in accordance with RCW 90.54.020(3)(a) and chapter 90.22 RCW. The department shall not use these funds to amend an existing instream flow unless requested to do so by the initiating governments for a planning unit.
- (d) In administering funds appropriated for supplemental funding for optional plan components under (a)(ii) of this subsection, the department shall give priority in granting the available funds to proposals for setting or amending instream flows.
- (e) A planning unit may apply for a matching grant for phase four watershed plan implementation. A match of ten percent is required and may include financial contributions or in-kind goods and services directly related to coordination and oversight functions. The match can be provided by the planning unit or by the combined commitments from federal agencies, tribal governments, local governments, special

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- 1 districts, or other local organizations. The phase four grant may be
- 2 up to one hundred thousand dollars for each planning unit for each of
- 3 the first three years of implementation. At the end of the three-year
- 4 period, a two-year extension may be available for up to fifty thousand
- 5 dollars each year. For planning units that cover more than one WRIA,
- 6 additional matching funds of up to twenty-five thousand dollars may be
- 7 available for each additional WRIA per year for the first three years
- 8 of implementation, and up to twelve thousand five hundred dollars per
- 9 WRIA per year for each of the fourth and fifth years.
- 10 (3)(a) The department shall use the eligibility criteria in this 11 subsection (3) instead of rules, policies, or guidelines when 12 evaluating grant applications at each stage of the grants program.
- 13 (b) In reviewing grant applications under this subsection (3), the department shall evaluate whether:
- 15 (i) The planning unit meets all of the requirements of this 16 chapter;
 - (ii) The application demonstrates a need for state planning funds to accomplish the objectives of the planning process; and
- 19 (iii) The application and supporting information evidences a 20 readiness to proceed.
 - (c) In ranking grant applications submitted at each stage of the grants program, the department shall give preference to applications in the following order of priority:
- 24 (i) Applications from existing planning groups that have been in 25 existence for at least one year;
 - (ii) Applications that address protection and enhancement of fish habitat in watersheds that have aquatic fish species listed or proposed to be listed as endangered or threatened under the federal endangered species act, 16 U.S.C. Sec. 1531 et seq. and for which there is evidence of an inability to supply adequate water for population and economic growth from:
 - (A) First, multi-WRIA planning; and
 - (B) Second, single WRIA planning;
- (iii) Applications that address protection and enhancement of fish habitat in watersheds or for which there is evidence of an inability to supply adequate water for population and economic growth from:
 - (A) First, multi-WRIA planning; and
- 38 (B) Second, single WRIA planning.

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- 1 (d) Except for phase four watershed plan implementation, the 2 department may not impose any local matching fund requirement as a 3 condition for grant eligibility or as a preference for receiving a 4 grant.
 - (4) The department may retain up to one percent of funds allocated under this section to defray administrative costs.

- (5) Planning under this chapter should be completed as expeditiously as possible, with the focus being on local stakeholders cooperating to meet local needs.
- 10 (6) Funding provided under this section shall be considered a 11 contractual obligation against the moneys appropriated for this 12 purpose.
- **Sec. 3.** RCW 90.82.130 and 2001 c 237 s 4 are each amended to read 14 as follows:
 - (1)(a) Upon completing its proposed watershed plan, the planning unit may approve the proposal by consensus of all of the members of the planning unit or by consensus among the members of the planning unit appointed to represent units of government and a majority vote of the nongovernmental members of the planning unit.
 - (b) If the proposal is approved by the planning unit, the unit shall submit the proposal to the counties with territory within the management area. If the planning unit has received funding beyond the initial organizing grant under RCW 90.82.040, such a proposal approved by the planning unit shall be submitted to the counties within four years of the date that funds beyond the initial funding are first drawn upon by the planning unit.
 - (c) If the watershed plan is not approved by the planning unit, the planning unit may submit the components of the plan for which agreement is achieved using the procedure under (a) of this subsection, or the planning unit may terminate the planning process.
 - (2)(a) With the exception of a county legislative authority that chooses to opt out of watershed planning as provided in (c) of this subsection, the legislative authority of each of the counties with territory in the management area shall provide public notice of and conduct at least one public hearing on the proposed watershed plan submitted under this section. After the public hearings, the legislative authorities of these counties shall convene in joint

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session to consider the proposal. The counties may approve or reject the proposed watershed plan for the management area, but may not amend it. Approval of such a proposal shall be made by a majority vote of the members of each of the counties with territory in the management area.

- (b) If a proposed watershed plan is not approved, it shall be returned to the planning unit with recommendations for revisions. Approval of such a revised proposal by the planning unit and the counties shall be made in the same manner provided for the original watershed plan. If approval of the revised plan is not achieved, the process shall terminate.
- (c) Alternatively, a legislative authority may choose to opt out of watershed planning under this chapter and the public hearing processes under (a) and (b) of this subsection, with regard to that legislative authority's affected territory within a particular management area. A county choosing to opt out shall notify the department and the other initiating governments of that choice prior to commencement of plan adoption under the provisions of (a) of this subsection. A county choosing to opt out shall not be bound by obligations contained in the watershed plan adopted for that management area under this chapter. Even if a county chooses to opt out as provided in this section, the other counties within a management area may adopt a proposed watershed plan as provided in this chapter.
- (3) The planning unit shall not add an element to its watershed plan that creates an obligation unless each of the governments to be obligated has at least one representative on the planning unit and the respective members appointed to represent those governments agree to adding the element that creates the obligation. A member's agreeing to add an element shall be evidenced by a recorded vote of all members of the planning unit in which the members record support for adding the element. If the watershed plan is approved under subsections (1) and (2) of this section and the plan creates obligations: (a) For agencies of state government, the agencies shall adopt by rule the obligations of both state and county governments and rules implementing the state obligations, or, with the consent of the planning unit, may adopt policies, procedures, or agreements related to the obligations or implementation of the obligations. The obligations on state agencies are binding upon adoption of the obligations ((into rule)), and the

agencies shall take other actions to fulfill their obligations as soon 1 2 as possible, and should annually review implementation needs with respect to budget and staffing; ((or)) (b) for counties, the 3 obligations are binding on the counties and the counties shall adopt 4 any necessary implementing ordinances and take other actions to fulfill 5 their obligations as soon as possible, and should annually review 6 7 implementation needs with respect to budget and staffing; or (c) for an organization voluntarily accepting an obligation, the organization must 8 adopt policies, procedures, agreements, rules, or ordinances to 9 implement the plan, and should annually review implementation needs 10 with respect to budget and staffing. 11

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- (4) After a plan is adopted in accordance with subsection (3) of this section, and if the department participated in the planning process, the plan shall be deemed to satisfy the watershed planning authority of the department with respect to the components included under the provisions of RCW 90.82.070 through 90.82.100 for the watershed or watersheds included in the plan. The department shall rely on such a plan in making all future water resource decisions for the planned watershed or watersheds. The department shall also rely upon the plan as a primary consideration in determining the public interest related to such decisions.
- (5) Once a plan is adopted under the provisions of RCW 90.82.130, the department may only modify the plan or obligations imposed by the plan through a negotiated rule-making process conducted among water right holders and other affected residents in a watershed or group of watersheds, and must include the members of the original planning unit, to the greatest extent practicable.
- (6) As used in this section, "obligation" means any action required as a result of this chapter that imposes upon a tribal government, county government, or state government, either: A fiscal impact; a redeployment of resources; or a change of existing policy.
- 32 <u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 90.82 RCW 33 to read as follows:
- Within one year of accepting funding for plan coordination and oversight, the planning unit must complete a detailed implementation plan. An implementation plan must clearly define coordination and oversight responsibilities; any needed interlocal agreements, rules, or

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- 1 ordinances; specific funding mechanisms; and timelines for carrying out
- 2 the actions included in the plan. The planning unit must consider
- 3 coordination of watershed planning implementation with salmon recovery
- 4 efforts. Submittal of a detailed implementation plan to the department
- 5 is a condition for receiving grants for the second and all subsequent

6 years of the phase four grant.

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